DOMESTIC COMMODITY DONATIONS

[As Amended Through P.L. 107–195, June 16, 2002]

TABLE OF CONTENTS

PART A—GENERAL

| Disposition of commodities to prevent waste | 21–3 |
|---|--------|
| (See Sec. 410 of Agricultural Act of 1343 in this vol.) | |
| PART B—PURPOSES OF DONATION | |
| Individual hardship cases | 22-1 |
| (Sec. 709 of Department of Agriculture Appropriations, FY 2000) | |
| Nutritional and other program requirements | 22-1 |
| (Sec. 9(e) of Richard B. Russell National School Lunch Act) | 00.1 |
| Summer food service program for children | 22–1 |
| Commodity distribution program | 22-2 |
| (Sec. 14(a) of Richard B. Russell National School Lunch Act) | |
| Child and adult care food program | 22–2 |
| Availability of surplus commodities | 22-3 |
| (Sec. 311 of Older Americans Act of 1965) | 22 0 |
| Distribution of excess agricultural commodities through community food | |
| banks | 22-4 |
| (Sec. 211 of Agricultural Act of 1980) | |
| Distribution of surplus commodities; special nutrition projects | 22–4 |
| Distribution under food distribution and emergency shelter program (Sec. 101 of Continuing Appropriations Act, FY 1984) | 22-6 |
| Advance funding for State option contracts | 22-6 |
| (Sec. 3A of Commodity Distribution Reform Act and WIC Amendme 1987) | nts of |
| Commodity donations | 22-6 |
| (Sec. 17 of Commodity Distribution Reform Act and WIC Amendme 1987) | nts of |
| Emergency food assistance | 22 - 7 |
| (See Emergency Food Assistance Act of 1983 in Food and Nutrition Vol.) | Laws |
| PART C-DONATIONS TO AREAS UNDER U.S. | |
| JURISDICTION AND TO SCHOOLS | |
| Donations to areas under U.S. jurisdiction | 23–1 |
| Donations to penal and correctional institutions | 23–1 |
| Cotton for colleges (Sec. 505 of Agricultural Act of 1958) | 23–1 |
| Surplus foods for home economic courses | 23–1 |
| Donations for demonstration projects | 23-2 |

DOMESTIC COMMODITY DONATIONS

(Sec. 5(b) of Critical Agricultural Materials Act)

| $\mathbf{p}_{\mathbf{A}}\mathbf{p}_{\mathbf{T}}$ | \mathbf{D}_{-} | DONAT | IONS (|) F | SPECIFIC | COMMO | DITIES |
|--|------------------|--------|--------------|-----|----------|-------|--|
| PARI | 1 <i>)</i> — | -IMMAI | \mathbf{u} | , r | SPRAIRIA | | ////////////////////////////////////// |

| Domestic disposal of dairy products | 24–1 |
|---|------|
| Reduction of dairy product inventories | 24–1 |
| Purchase of dairy products | 24–1 |
| Transfer of dairy products to the military and veterans hospitals | 24–1 |
| Cheese and nonfat dry milk | 24–1 |
| Donations of processed grain food products | 24–2 |
| Enrichment of and sanitary containers for cornmeal, grits, rice, and white flour distribution | 24–3 |
| PART E—PENALTIES | |
| Penalties for fraud | 25–1 |

DOMESTIC COMMODITY DONATIONS 1

[As Amended Through P.L. 104–130, April 9, 1996]

PART A—GENERAL

DISPOSITION OF COMMODITIES TO PREVENT WASTE See Sec. 416 of Agricultural Act of 1949 in this Vol.

AGRICULTURAL ACT OF 1956²

TITLE II—SURPLUS DISPOSAL

[PROGRAM OF ORDERLY LIQUIDATION]

[SEC. 201. ^{201–1} [7 U.S.C. 1851]] * * * * * *

[SURPLUS DISPOSAL ADMINISTRATOR]

[Sec. 207. ^{207–1} [7 U.S.C. 1857]]

MUTUAL SECURITY ACT OF 1954 402-1

DOMESTIC DISTRIBUTIONS OF SURPLUS FOODS AVAILABLE FOR GRANT OR FOREIGN CURRENCY SALES

[Sec. 402. 402-2 [22 U.S.C. 1922]]

¹ For Sec. 32 of and related statutes, see generally SECTION 32 AND RELATED STAT-UES in this Vol.

For donation of feed grains, see Sec. 606(a) of Agricultural Act of 1949 in this Vol.

For domestic sales, see DOMESTIC SALES in this Vol.

For disaster relief, see Crop Insurance and Disaster Relief Laws Vol.

² Approved May 28, 1956, P.L. 84–540, 70 Stat. 188.

^{201–1} Sec. 201 was repealed by sec. 274 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127, 110 Stat. 976, April 4, 1996. For the text of sec. 201, see p. 48–1 of Volume I—Domestic Agricultural Programs (as of Mar. 3, 1992).

^{207–1} Sec. 207 was repealed by sec. 274 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127, 110 Stat. 976, April 4, 1996. For the text of sec. 207, see p. 48–1 of Volume I—Domestic Agricultural Programs (as of Mar. 3, 1992).

⁴⁰²⁻¹ P.L. 83-665, 68 Stat. 843, Aug. 26, 1954.

402-2 Sec. 402 was repealed by sec. 228 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996. For the text of sec. 402, see p. 48-1 of Volume I—Domestic Agricultural Programs (as of Mar. 3, 1992).

PART B—PURPOSES OF DONATION 1

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, FY 2000

INDIVIDUAL HARDSHIP CASES

SEC. 709. 709-1 [7 U.S.C. 612c note] Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

Sec. 9.9-1 [42 U.S.C. 1758] [* * *]

(c) 9-41 School lunch 9-42 programs under this Act shall be operated on a nonprofit basis. Commodities purchased under the authority of section 32 of the Act of August 24, 1935, 9-43 [(7 U.S.C. 612c)] may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school lunch program under this Act as well as to other schools carrying out nonprofit school lunch programs and institutions authorized to receive such commodities. 9-44 The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodities donated under any provision of law. 9-45

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 13. ^{13–1} [42 U.S.C. 1761] [* * *]

(h) Each service institution shall, insofar as practicable, use in its food service under the program foods designated from time to

¹ See also Crop Insurance and Disaster Relief Vol.

⁷⁰⁹⁻¹ P.L. 106-78, 113 Stat. 1161, Oct. 22, 1999. 9-1 Act of June 4, 1946, c. 281, 60 Stat. 233. 9-41 Section 702(b)(2) of P.L. 104-193, 110 Stat. 2288, Aug. 22, 1996, amended this subsection by striking the former second, fourth, and sixth sentences. Previously, the former fourth sentence was amended by section 305(b)(2)(C) of P.L. 101–147, 103 Stat. 914, Nov. 10, 1989, and the former sixth sentence was amended by Section 6(e) of P.L. 94–105, 89 Stat. 514, Oct. 7, 1975, and the former sixth sentence was amended by section 6(e) of P.L. 94–105, 89 Stat. 514, Oct. 7, 1975. Section 5 of P.L. 92–433, 86 Stat. 726, Sept. 26, 1972, designated this paragraph as subsection (c) and amended subsection to extend the provi-

sions with respect to certain nonprofit private schools to all such schools.

The first sentence of section 201(a) of the Act entitled "An Act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes", approved September 21, 1959 (7 U.S.C. 1431c(a); 73 Stat. 610), prescribes standards for the enrichment and packaging of certain foods when such foods are made available for distribution under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

9-42 Section 305(b)(2)(A) of P.L. 101–147, 103 Stat. 914, Nov. 10, 1989, amended the first sentence of subsection (c) by striking "School-lunch" and inserting "School lunch".

9-43 Section 305(b)(2)(B) of P.L. 101–147, 103 Stat. 914, Nov. 10, 1989, amended this sentence by striking "(49 Stat. 774), as amended".

⁹⁻⁴⁴ The third sentence of section 211(a) of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4004(a)) permits the Secretary of Agriculture to distribute agricultural commodities to community food banks through the food distribution system used under the Richard B. Russell National School Lunch Act.

⁹⁻⁴⁵ Section 702(b)(1) of P.L. 104-193, 110 Stat. 2288, Aug. 22, 1996, amended this sentence by striking "of the provisions of law referred to in the preceding sentence" and inserting "provision of law"

¹³⁻¹ Act of June 4, 1946, c. 281, as added by sec. 3 of P.L. 90-302, 82 Stat. 117, May 8, 1968.

time by the Secretary as being in abundance. The Secretary is authorized to donate to States, for distribution to service institutions, food available under section 416 of the Agricultural Act of 1949 13-46 [(7 U.S.C. 1431)], or purchased under section 32 of the Act of August 24, 1935 13-47 [(7 U.S.C. 612c)] or section 709 of the Food and Agriculture Act of 1965 13-48 [(7 U.S.C. 1446a-1)]. Donated foods may be distributed only to service institutions that can use commodities efficiently and effectively, as determined by the Secretary.

COMMODITY DISTRIBUTION PROGRAM

Sec. 14. 14-1 [42 U.S.C. 1762a] (a) Notwithstanding any other provision of law, the Secretary, during the period beginning July 1,

1974, and ending September 30, 2003, 14-2 shall—

(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) agricultural commodities and their products of the types customarily purchased under such section (which may include domestic seafood commodities and their products), 14-3 for donation to maintain the annually programmed level of assistance for programs carried on under this Act, the Child Nutrition Act of 1966 [(42 U.S.C. 1771 et seq.)], and title III 14-4 of the Older Americans Act of 1965 [(42 U.S.C. 3021 et seq.)]; and

(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949

(7 U.S.C. 1431), for such donation.

SEC. 17. [42 U.S.C. 1766] CHILD AND ADULT CARE FOOD PROGRAM. [* * *] (h) [* * *]

 $(2)^{17-57}$ The Secretary is authorized to provide agricultural commodities obtained by the Secretary under the provisions of the Agricultural Act of 1949 (7 U.S.C. 1421 et seg.) and donated under the provisions of section 416 of such Act, to the Department of Defense

4-1 This section added by section 2 of P.L. 93-326, 88 Stat. 286, June 30, 1974. See note 6-1.

¹⁴⁻³Language in parentheses added by section 12(b) of P.L. 95-627, 92 Stat. 3625, Nov. 10, 1978.

14-4 Section 819 of P.L. 97-35, 95 Stat. 533, Aug. 13, 1981, substituted "title III" for "title

^{13–46} Section 307(4)(A) of P.L. 101–147, 103 Stat. 915, Nov. 10, 1989, amended subsection (h) by striking "(7 U.S.C. 1431)". $^{13-47}$ Section 307(4)(B) of P.L. 101–147, 103 Stat. 915, Nov. 10, 1989, amended subsection

⁽h) by striking "(7 U.S.C. 612c)".

13–48 Section 307(4)(C) of P.L. 101–147, 103 Stat. 915, Nov. 10, 1989, amended subsection (h) by striking "(7 U.S.C. 1446a-1)".

¹⁴⁻² Originally expired on June 30, 1975. Extended to Sept. 30, 1977, by section 10 of P.L. 94–105, 89 Stat. 515, Oct. 7, 1975; Sept. 30, 1982, by section 6 of P.L. 95–166, 91 Stat. 1334, Nov. 10, 1977; Sept. 30, 1984, by section 202 of P.L. 96–499, 94 Stat. 2600, Stat. 1334, Nov. 10, 1977; Sept. 30, 1984, by section 202 of P.L. 96–499, 94 Stat. 2600, Dec. 5, 1980; and September 30, 1989, by section 312 of P.L. 99–500, 100 Stat. 1783–360, Oct. 18, 1986. Section 312 of P.L. 99–591, 100 Stat. 3341–363, Oct. 30, 1986, and section 4102 of P.L. 99–661, 100 Stat. 4071, Nov. 14, 1986, also extended the expiration date to September 30, 1989. Extended to September 30, 1994, by section 103(a) of P.L. 101–147, 103 Stat. 882, Nov. 10, 1989. Extended to September 30, 1998, by section 115(1) of P.L. 103–448, 108 Stat. 4713, Nov. 2, 1994. Extended to September 30, 2003, by section 106 of P.L. 105–336, 112 Stat. 3149, Oct. 31, 1998.

¹⁷⁻⁵⁷This paragraph added by section 214 of P.L. 100-435, 102 Stat. 1659, Sept. 19,

for use by its institutions providing child care services, when such commodities are in excess of the quantities needed to meet the needs of all other child nutrition programs, domestic and foreign food assistance and export enhancement programs. The Secretary shall require reimbursement from the Department of Defense for the costs, or some portion thereof, of delivering such commodities to overseas locations, unless the Secretary determines that it is in the best interest of the program that the Department of Agriculture shall assume such costs.

OLDER AMERICANS ACT OF 1965

NUTRITION SERVICES INCENTIVE PROGRAM 311-1

SEC. 311. 311-2 [42 U.S.C. 3030a.] (a) The purpose of this section is to provide incentives to encourage and reward effective performance by States and tribal organizations in the efficient delivery of nutritious meals to older individuals.

(b)(1) The Secretary of Agriculture shall allot and provide in the form of cash or commodities or a combination thereof (at the discretion of the State) to each State agency with a plan approved under this title for a fiscal year, and to each grantee with an application approved under title VI for such fiscal year, an amount bearing the same ratio to the total amount appropriated for such fiscal year under subsection (e) as the number of meals served in the State under such plan approved for the preceding fiscal year (or the number of meals served by the title VI grantee, under such application approved for such preceding fiscal year), bears to the total number of such meals served in all States and by all title VI grantees under all such plans and applications approved for such preceding fiscal year.

(2) For purposes of paragraph (1), in the case of a grantee that has an application approved under title VI for a fiscal year but that did not receive assistance under this section for the preceding fiscal year, the number of meals served by the title VI grantee for the preceding fiscal year shall be deemed to equal the number of meals that the Assistant Secretary estimates will be served by the title VI grantee in the fiscal year for which the application was approved.

(c)(1) Agricultural commodities and products purchased by the Secretary of Agriculture under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be donated to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

(2) The Commodities Credit Corporation shall dispose of food commodities under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) by donating them to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

311-1 Sec. 309(1) of the Older Americans Act Amendments of 2000, P.L. 106-501, 114

Nov. 13, 2000, redesignated formers subsecs. (a), (b), (c), and (d) as subsecs. (c), (d), (e), and (f), respectively, inserted new subsecs. (a) and (b), and struck former para. (4) of sub-

Stat. 2246, Nov. 13, 2000, amended the sec. heading in its entirety.

311–2 Sec. 311 was added to the Older Americans Act of 1965, P.L. 89–73, 79 Stat. 219, July 14, 1965, by P.L. 95–478, 92 Stat. 1533, Oct. 18, 1978. Substantially the same provisions were previously to be found in Sec. 707 of the Older Americans Act of 1965, as amended, P.L. 92–258, 86 Stat. 94, Mar. 22, 1972, 42 U.S.C. 3045f (p. 239 of Agriculture Handbook 476), which was repealed by Sec. 501 of the 1978 Act. Sec. 309 of the Older Americans Act Amendments of 2000, P.L. 106–501, 114 Stat. 2246,

(3) Dairy products purchased by the Secretary of Agriculture under section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1) shall be used to meet the requirements of programs providing nutrition services in accordance with the provisions of this title.

* * * * * *

AGRICULTURAL ACT OF 1980 211-1

DISTRIBUTION OF EXCESS AGRICULTURAL COMMODITIES THROUGH COMMUNITY FOOD BANKS

SEC. 211. ^{211–2} [7 U.S.C. 4004] (a) The Secretary of Agriculture shall carry out special nutrition projects to provide agricultural commodities and other foods that might not otherwise be used, or might be more effectively used by organizations assisted under this section, to community food banks for emergency food box distribution to needy individuals and families. Notwithstanding any other provisions of law, the Secretary shall make available for purposes of such special nutrition projects, agricultural commodities and other foods available to the Secretary under section 416 of the Agricultural Act of 1949, section 709 of the Food and Agriculture Act of 1965, and section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). For purposes of distributing agricultural commodities and other foods to community food banks under this section, the Secretary may in consultation with State agencies, use food distribution systems currently used to distribute agricultural commodities and other foods under the Richard B. Russell National School Lunch Act^{211–3} and Child Nutrition Act of 1966. The Secretary shall select food banks, in consultation with the Director of the Community Services Administration, for participation in the special nutrition projects under this section. Food banks shall be selected for participation so as to ensure adequate geographic distribution of emergency food box programs in at least two but not more than seven Department of Agriculture regions.

AGRICULTURE AND FOOD ACT OF 1981 1114-1

DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION **PROJECTS**

SEC. 1114. 1114-2 [7 U.S.C. 1431e] (a)(1) Notwithstanding any other provision of law, whenever Government stocks of commodities are acquired under the price support programs and are not likely to be sold by the Commodity Credit Corporation or otherwise used in programs of commodity sale or distribution, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), to child nutrition programs providing food

²¹¹⁻¹ P.L. 96–494, 94 Stat. 2570, Dec. 3, 1980.
²¹¹⁻² Sec. 1114 of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1269, Dec. 22, 1981, amended Sec. 211 by substituting the current heading for "Food Bank Demonstration Projects" and by substituting the words "special nutrition projects" for "demonstration projects" wherever they appeared in Subsec. (a).
²¹¹⁻³ Section 752(b)(4) of P.L. 106–78, 113 Stat. 1169, Oct. 22, 1999, amended this subsec. by striking "National School Lunch Act" and inserting "Richard B. Russell National School Lunch Act".

^{1114–1} P.L. 97–98, 95 Stat. 1213, Dec. 22, 1981.

^{1114-2 95} Stat. 1269. Sec. 1567 of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1590, Dec. 23, 1985, added "(1)" after "Sec. 1114(a)"; added the last sentence in para. (1); and added new para. (2).

service, and to food banks participating in the special nutrition projects established under section 211 of the Agricultural Act of 1980. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act of 1965. The Commodity Credit Corporation is authorized to use available funds to operate the program under this subsection and to further process products to facilitate bonus commodity use. Commodities made available under this section shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.

(2)(A) Effective through September 30, 2007, 1114–3 whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies. The expense of reprocessing shall be paid by such eligible recipient agencies.

(B) To maintain eligibility to enter into, and to continue, any agreement with the Secretary of Agriculture under subparagraph (A), a private company shall annually settle all accounts with the Secretary and any appropriate State agency regarding commodities process under such agreements.

(C) 1114-4 Whenever commodities are made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), the Secretary shall encourage access to processed end products containing the commodities when in the Secretary's judgment it is cost effective. The requirements of this subparagraph shall be met in the most efficient and effective way possible. The Secretary may, among other alternatives, use direct purchase, State option contracts authorized under section 3A of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note), State processing programs, and (beginning in fiscal year 1994) agreements with private companies operated as a part of the national commodity processing program.

(D) 1114-5 In each of fiscal years 1992, 1993, and 1994, 1114-6 the Secretary shall conduct a pilot project in not more than three States under which any commodity made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) that the Secretary determines to be appropriate for reprocessing is made available to the agencies as reprocessed end products. The reprocessing shall be performed pursuant to agreements with private companies, at the expense of the agencies, and operated as part of the national commodity processing program es-

^{1114–3} Sec. 6 of P.L. 100–237, 101 Stat. 1740, Jan. 8, 1988, substituted "September 30, 1990" for "June 30, 1987". Sec. 1775(a) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3813, Nov. 28, 1990, amended this subpara. by striking "1990" and inserting "1995". Sec. 405 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127, 110 Stat. 1029, April 4, 1996, amended this subpar. by striking "1995" and inserting "2002". Sec. 4203 of the Farm Security and Rural Investment Act of 2002, P.L. 107–171, 116 Stat. 330, May 13, 2002, amended this sec. by striking "2002" and inserting "2007"

ing "2002" and inserting "2007".

1114-4 Subparas. (C) and (D) added by sec. 1775(b) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-624, 104 Stat. 3813, Nov. 28, 1990.

^{1114–5} See footnote 1114–4.

¹¹¹⁴⁻⁶ Sec. 921 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991, P.L. 102–237, 105 Stat. 1887, Dec. 13, 1991, amended subsec. (a)(2)(D) by striking "1992 and 1993" and inserting "1992, 1993, and 1994".

tablished under subparagraph (A). In determining the appropriateness of the commodities to be reprocessed under the pilot project, the Secretary shall consider the common needs of the agencies and the availability of processors.

- (b) * * *
- (c) * * *
- (d) [7 U.S.C. 4004a] Section 4(b) of the Food Stamp Act of 1977 shall not apply with respect to distribution of surplus commodities under section 211 of the Agricultural Act of 1980.

CONTINUING APPROPRIATIONS ACT, FY 1984 101-1

DISTRIBUTION UNDER FOOD DISTRIBUTION AND EMERGENCY SHELTER **PROGRAM**

SEC. 101. 101-2 [* * *]

(g) [* * *] As authorized by the Charter of Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the Food Distribution and Emergency Shelter Program in cooperation with the Federal Emergency Management Agency.

COMMODITY DISTRIBUTION REFORM ACT AND WIC **AMENDMENTS OF 1987**

SEC. 3A. [7 U.S.C. 612c note] ADVANCE FUNDING FOR STATE OPTION CONTRACTS. 3A-1

- (a) IN GENERAL.—The Secretary may use the funds of the Commodity Credit Corporation and funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay for all or a portion of the cost, as agreed on with the State distribution agency, of food or the processing or packaging of food on behalf of a State distribution agency.
- (b) REIMBURSEMENT.—In such cases, the State distribution agency shall reimburse the Secretary for the agreed on cost. Any funds received by the Secretary as reimbursement shall be deposited to the credit of the Commodity Credit Corporation or section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as appropriate. If the State distribution agency fails, within 150 days of delivery, to make the required reimbursement in full, the Secretary shall, within 30 days, offset any outstanding amount against the appropriate account.

SEC. 17. [7 U.S.C. 612c note] COMMODITY DONATIONS. 17-1

(a) In General.—Notwithstanding any other provision of law concerning commodity donations, any commodities acquired in the conduct of the operations of the Commodity Credit Corporation and any commodities acquired under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to the extent that the commodities are in excess of the quantities of commodities that are essential to carry out other authorized activities of the Commodity Credit Corporation and the Secretary (including any quantity specifically reserved for a specific purpose), may be used for any program authorized to be carried out by the Secretary that involves the acquisition of com-

¹⁰¹⁻¹ H.J. Res. 413, P.L. 98–151, 97 Stat. 975, Nov. 14, 1983. ¹⁰¹⁻² 97 Stat. 975, Nov. 14, 1983. ^{3A-1} Sec. 3A was added by 1964 State 2010 Nov. 20, 1000 Act of 1990, P.L. 101–624, 104 Stat. 3810, Nov. 28, 1990.

17–1 Sec. 17 was added by sec. 4202(a)(2) of the Farm Security and Rural Investment Act

of 2002, P.L. 107-171, 116 Stat. 329, May 13, 2002.

modities for use in a domestic feeding program, including any program conducted by the Secretary that provides commodities to individuals in cases of hardship.

- (b) Programs.—A program described in subsection (a) includes a program authorized by—
 - (1) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);
 - (2) the Richard B. Russell National School Lunch Act (42) U.S.C. 1751 et seq.);
 (3) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);
 - (4) the Older Americans Act of 1965 (42 U.S.C. 3001 et
 - (5) such other laws as the Secretary determines to be appropriate.

EMERGENCY FOOD ASSISTANCE

See Emergency Food Assistance Act of 1983 in Food and Nutrition Laws Vol.

PART C—DONATIONS TO AREAS UNDER U.S. JURISDICTION AND TO SCHOOLS

ACT OF SEPTEMBER 6, 1958

DONATIONS TO AREAS UNDER U.S. JURISDICTION

SEC. 9.9-1 [7 U.S.C. 1431b] Notwithstanding any other provision of law those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431).

AGRICULTURAL ACT OF 1956

DONATIONS TO PENAL AND CORRECTIONAL INSTITUTIONS

SEC. 210.^{210–1} [7 U.S.C. 1859] Notwithstanding any other limitations as to the disposal of surplus commodities acquired through price support operations, the Commodity Credit Corporation is authorized on such terms and under such regulations as the Secretary of Agriculture may deem in the public interest, and upon application, to donate food commodities acquired through price support operations to Federal penal and correctional institutions, and to State correctional institutions for minors, other than those in which food service is provided for inmates on a fee, contract, or concession basis.

AGRICULTURAL ACT OF 1958

COTTON FOR COLLEGES

SEC. 505. 505-1 [7 U.S.C. 1431a] Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

ACT OF SEPTEMBER 13, 1960 1-1

SURPLUS FOODS FOR HOME ECONOMIC COURSES

[7 U.S.C. 1431 note] [S]chools receiving surplus foods pursuant to clause (3) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c) are authorized to use such foods in training students in home economics, including college students if the same facilities and instructors are used for training both high school and college students in home economics courses.

⁹⁻¹ P.L. 85-931, 72 Stat. 1792, amended by Act of Nov. 11, 1966, P.L. 89-808, 80 Stat. 1538, effective Jan. 1, 1967.

^{210–1} P.L. 84–540, 70 Stat. 202, May 28, 1956. ^{505–1} P.L. 85–835, 72 Stat. 996, Aug. 28, 1958.

¹⁻¹ P.L. 86-756, 74 Stat. 899, amended by Act of Aug. 30, 1961, 75 Stat. 411.

CRITICAL AGRICULTURAL MATERIALS ACT

DONATIONS FOR DEMONSTRATION PROJECTS

Sec. 5 [7 U.S.C. 178c] [* * *]

(b) 5-1 The Secretary of Agriculture shall conduct, sponsor, promote, and coordinate basic and applied research, technology development, and technology transfer leading to effective and economical methods for large-scale culturing of plantations and the extraction of latex from Parthenium or other hydrocarbon-containing plants, and for the development of other critical agricultural materials from native agricultural crops having strategic and industrial importance. Such research shall include, but not be limited to—

* * * * * *

(9) 5–2 studying the economic feasibility of developing other native agricultural crops (in addition to Parthenium and other hydrocarbon-containing plants) that would supply critical agricultural materials for strategic and industrial purposes, 5–3 carrying out demonstration projects to promote the development or commercialization of such crops (including projects designed to expand domestic or foreign markets for such crops), and, to the extent appropriate, carrying out research activities with respect to such crops in the manner specified in paragraphs (1) through (8).

* * * * * *

(d)⁵⁻⁴ Notwithstanding any other provision of law, in carrying out a demonstration project referred to in subsection (b)(9), the Secretary may—

(1) enter into a contract or cooperative agreement with, or provide a grant to, any person, or public or private agency or organization, to participate in, carry out, support, or stimulate

such project;

(2) make available for purposes of clause (1) agricultural commodities or the products thereof acquired by the Commodity Credit Corporation under price support operations con-

ducted by the Corporation; or

(3) use any funds appropriated pursuant to section 16(a), or any funds provided by any person, or public or private agency or organization to carry out such project or reimburse the Commodity Credit Corporation for agricultural commodities or products that are utilized in connection with such project.

 $^{^{5-1}\,\}mathrm{P.L.}$ 95–592, 92 Stat. 2529, Nov. 4, 1978, as amended by P.L. 98–284, 98 Stat. 182, May 16, 1984.

⁵⁻²Sec. 1439(a) of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1559, Dec. 23, 1985, inserted in para. (a) of the following: ", carrying out demonstration projects to promote the development or commercialization of such crops (including projects designed to expand domestic or foreign markets for such crops)," after "purposes,".

⁵⁻³ Sec. 1005(1) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991, P.L. 102–237, 105 Stat. 1894, Dec. 13, 1991, amended subsec. (b)(9) by striking the first comma after "industrial purposes"

first comma after "industrial purposes". $^{5-4}$ Sec. 1439(b) of the Food Security Act of 1985, P.L. 99–198, 99 Stat. 1559, Dec. 23, 1985, added subsec. (d) at the end of sec. 5.

PART D—DONATIONS OF SPECIFIC COMMODITIES

AGRICULTURAL ACT OF 1954

DOMESTIC DISPOSAL OF DAIRY PRODUCTS

SEC. 204. 204-1 [7 U.S.C. 1446c] [* * *]

(c) In order to prevent the accumulation of excessive inventories of dairy products the Secretary of Agriculture shall undertake domestic disposal programs under authorities granted in the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, as amended, or as otherwise authorized by law.

AGRICULTURE AND FOOD ACT OF 1981

REDUCTION OF DAIRY PRODUCT INVENTORIES

SEC. 106. 106-1 [7 U.S.C. 1446c-1] The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including exportation of dairy products at not less than prevailing world market prices), the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

FOOD AND AGRICULTURE ACT OF 1965

PURCHASE OF DAIRY PRODUCTS

SEC. 709. ^{709–1} [7 U.S.C. 1446a–1] The Secretary of Agriculture is hereby authorized to use funds of the Commodity Credit Corporation to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools (other than fluid milk in the case of schools), domestic relief distribution, community action, and such other programs as are authorized by law, when there are insufficient stocks of dairy products in the hands of Commodity Credit Corporation available for these purposes.

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS **HOSPITALS**

See Sec. 202 of Agricultural Act of 1949 in this Vol.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

[CHEESE AND NONFAT DRY MILK]

Sec. 5. [7 U.S.C. 612c note] [* * *] (d)(1) [* * *]

 $[\]frac{204-1}{106-1}$ Act of Aug. 28, 1954, c. 1041, 68 Stat. 900. $\frac{106-1}{106-1}$ P.L. 97–98, Dec. 22, 1981, 95 Stat. 1220. $\frac{709-1}{106-1}$ P.L. 89–321, Nov. 3, 1965, 79 Stat. 1212, as amended by P.L. 89–808, Sec. 3(b), Nov. 11, 1966, 80 Stat. 1538.

(2) 5-1 Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1991 through 2007 5-2 to the Secretary of Agriculture. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

ACT OF AUGUST 19, 1958 1-1

DONATIONS OF PROCESSED GRAIN FOOD PRODUCTS

[7 U.S.C. 1431 note] [A]t any time Commodity Credit Corporation has any grain available for donation pursuant to the Food for Progress Act of 1985, 1-2 section 416 of the Agricultural Act of 1949, as amended, section 210 of the Agricultural Act of 1956, or title II of the Agricultural Trade Development and Assistance Act, as amended, the Corporation, in lieu of processing all or any part of such grain into human food products, may purchase such processed food products in quantities not to exceed the equivalent of the respective grain available for donation on the date of such purchase and donate such processed food products pursuant to the Food for Progress Act of 1985, such 1-3 section 416, and to such section 210, and make such processed food products available 1-4 pursuant to such title II, and may sell, without regard to the provisions of section 407 of the Agricultural Act of 1949, as amended, a quantity of the grain equivalent to the processed food products so purchased: Provided, That no food product purchased pursuant to the authority contained herein shall constitute less than 50 per centum by weight of the grain from which processed (except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities), 1-5 or contain any additive other than for normal vitamin enrichment, preservative, and bleaching purposes.

 $^{^{5-1}}$ This provision was originally added as sec. 130 of the Hunger Prevention Act of 1988, P.L. 100–435, 102 Stat. 1654, Sept. 14, 1988. Sec. 1775(c) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3813, Nov. 28, 1990, designated such sec. as para. (2) of sec. 5(d) of the Agriculture and Consumer Protection Act of 1973 and amended para. (2) to read as provided above.

⁵⁻² Sec. 402(b)(2) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127, 110 Stat. 1028, April 4, 1996, amended para. (2) by striking "1995" and inserting "2002". Sec. 4201(b)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107–171, 116 Stat. 328, May 13, 2002, amended para. (2) by striking "2002" and inserting "2007"

¹⁻¹ P.L. 85–683, 72 Stat. 635. Amended by Act of August 31, 1964, P.L. 88–550, 78 Stat. 755.

^{1–2} Sec. 758(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549, 1549A–43; Oct. 28, 2000) amended this sec. by striking "clause (3) or (4) of" the first place it appears and inserting "the Food for Progress Act of 1985,".

^{1–3} Sec. 758(2) of the Agriculture, Rural Development, Food and Drug Administration,

¹⁻³ Sec. 758(2) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549, 1549A–43; Oct. 28, 2000) amended this sec. by striking "clause (3) or (4) of such" and inserting "the Food for Progress Act of 1985, such".

¹⁻⁴Sec. 758(3) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549, 1549A–43; Oct. 28, 2000) amended this sec. by striking "to the President".

^{1–5}This exception was added by Sec. 1209, of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1280, Dec. 22, 1981.

AGRICULTURE AND FOOD ACT OF 1981

[DONATION OF PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION]

[Sec. 1208. 1208-1 [7 U.S.C. 1736n]]

ACT OF SEPTEMBER 21, 1959

ENRICHMENT OF AND SANITARY CONTAINERS FOR CORNMEAL, GRITS, RICE, AND WHITE FLOUR DISTRIBUTION

SEC. 201. ^{201–1} [7 U.S.C. 1431c] (a) In order to insure the nutritional value of cornmeal, grits, rice, and white flour when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the Richard B. National School Lunch Act^{201–2} or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds unless a larger container is requested by the recipient agency. 201-3 Nothing in this section shall prohibit the distribution of fortified parboiled rice which is substantially equal in nutritional value to that of enriched rice. 201-4

(b) The term "sanitary container" means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container necessitating the washing of the contents prior to use.

 $^{^{1208-1}\,\}mathrm{Sec.}$ 1208 was repealed by sec. 226 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127, 110 Stat. 962, April 4, 1996. For the text of sec. 1208, see p. 51–2 and 51–3 of Volume I—Domestic Agricultural Programs (as of Mar. 3, 1992). $^{201-1}\,\mathrm{P.L.}$ 86–341, 73 Stat. 610.

^{201–2} Section 752(b)(3) of P.L. 106–78, 113 Stat. 1169, Oct. 22, 1999, amended this subsec. by striking "National School Lunch Act" and inserting "Richard B. Russell National School Lunch Act".

^{201–3} Clause beginning with "unless" added by the Act of October 11, 1962, P.L. 87–803, 76 Stat. 910.

 $^{^{201-4}}$ This sentence and all other references to rice in sec. 201(a) were added by the Act of Oct. 11, 1962, P.L. 87–803, 76 Stat. 910.

PART E—PENALTIES

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973 $^{4-1}$

PENALTIES FOR FRAUD

SEC. 4. [7 U.S.C. 612c note] [* * *]

(c) 4-2 Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), 4-3 section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), or the 4-4 Emergency Food Assistance Act of 1983, whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use of gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of \$100 or more, be fined not more than \$10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than \$100, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

⁴⁻¹ P.L. 93-86, 87 Stat. 221, Aug. 10, 1973.

^{4–2} Subsec. (c) was added by Sec. 1334 of the Agriculture and Food Act of 1981, P.L. 97–98, 95 Stat. 1292, Dec. 22, 1981.

⁴⁻³ Sec. 207 of P.L. 97-36, March 24, 1983, deleted "or" after "(7 U.S.C. 612c)," and inserted after "(7 U.S.C. 1446a-1)" "or the Temporary Emergency Food Assistance Act of 1983"

 $^{^{4-4}}$ Sec. 1772(h)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101–624, 104 Stat. 3809, Nov. 28, 1990, amended subsec. (c) by striking "(7 U.S.C. 1446a–1) Temporary or the" and inserting "(7 U.S.C. 1446a–1), or the".